

July 8, 2011

*Via electronic filing: <http://www.fcc.gov/cgb/ecfs/>*

Ms. Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, DC 20554

Re: IAB's Comments – Staff Report on Location-Based Services, WT Docket No. 11-84

Dear Secretary Dortch:

The Interactive Advertising Bureau (“IAB”) provides these comments in response to the Federal Communications Commission’s (“Commission” or “FCC”) request for comments to inform the Staff’s anticipated report on helping consumers navigate location-based services (“LBS”), WT Docket No. 11-84. IAB offers these comments from the perspective of an entity that has been centrally involved in developing and implementing self-regulatory principles for online and mobile advertising as well as educating the greater community about LBS.

The IAB ([www.iab.net](http://www.iab.net)) is comprised of more than 500 leading media and technology companies who are responsible for selling 86% of online advertising in the United States. The IAB is dedicated to the growth of interactive advertising, and works to educate marketers, agencies, media companies, the business community, and policy makers about the value of interactive advertising to companies both large and small. Founded in 1996, the IAB is headquartered in New York City, with offices in Washington, D.C. and San Francisco, CA.

As the Commission prepares to issue its staff-level report on LBS, IAB encourages the FCC to promote a policy approach that continues to allow LBS to flourish and evolve. LBS is a nascent industry that is just now beginning to enter the mainstream and as the FCC has noted in its request for comments, LBS have become an important contributor to the economy. We caution that rigid regulations at this time would be premature and could stifle the growth of LBS. Just as the government has refrained from over regulating the Internet and online advertising, so too should the government adopt a flexible, self-regulatory approach with LBS. Allowing the industry to innovate and develop new technologies and approaches to meet consumers’ privacy expectations will allow this marketplace to grow and deliver valuable new products and services to the American public.

## **I. Contribution of LBS to the Economy**

LBS provide enormous value and utility to the economy, including to consumers, advertisers, network providers, and application developers among others. As FCC Chief of the Wireless Telecommunications Bureau Rick Kaplan observed in his welcoming remarks at the Commission's June 28, 2011 forum on LBS, advances in the wireless ecosystem have been tremendous and the environment thus far has been conducive to innovation. With the emergence of LBS, American consumers are now benefiting from more relevant marketing and advertising, competition in prices, a more efficient marketplace, and new services.

In today's struggling economy, LBS is bucking the trend. At IAB, we recognize that mobile marketing is one of the fastest-growing segments of interactive advertising. Consumers want to access their information and entertainment on-the-go, and this trend presents an enormous opportunity for advertisers to stay connected with their audiences. LBS is an exciting new frontier for mobile marketing, advertising, and the media marketplace.

With the right regulatory environment, LBS will only continue to mature and adoption of LBS will spread as consumers gain trust in the mobile ecosystem. Such trust will grow as consumers experience quality LBS and are educated about how LBS adds value to their lives. At the same time, enforceable self-regulation will help ensure that industry provides consumers with transparency and choice as they embrace LBS.

## **II. Educating the Community About LBS**

We agree with the Commission that "[c]lear information and public education can help consumers better understand these services."<sup>1</sup> Indeed, education of the entire mobile ecosystem will only strengthen the adoption of LBS. At IAB, we are committed to the success of LBS, and in furtherance of this goal, in December 2010 IAB launched our Mobile Marketing Center of Excellence (<http://www.iab.net/mmcoe>).<sup>2</sup>

The IAB Mobile Marketing Center of Excellence ("MMCOE") is charged with driving the growth of the mobile marketing, advertising, and media marketplace. IAB devotes resources to market and consumer research, mobile advertising case studies, executive training and education, supply chain standardization, creative showcases and best practice identification in the burgeoning field of mobile media and marketing. Members of the MMCOE Board of Directors include representatives from AT&T, Google, Microsoft, Millennial Media, Mojiva, New York Times, The Weather Channel, Time Inc., Univision, Yahoo! Inc. Supporting members include 24/7 Real Media, BabyCenter, Cars.com, CNN, Disney Interactive Media Group, Federated Media, IDG,

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<sup>1</sup> FCC, Public Notice, FCC Staff to Host Forum Aimed at Helping Consumers Navigate Location-Based Services, WT Docket No. 11-84, DA 11-857 (May 17, 2011), *available at* [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2011/db0517/DA-11-857A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2011/db0517/DA-11-857A1.pdf).

<sup>2</sup> Press Release, IAB Launches Mobile Marketing Center of Excellence (Dec. 9, 2010), *available at* [http://www.iab.net/about\\_the\\_iab/recent\\_press\\_releases/press\\_release\\_archive/press\\_release/pr-042711](http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-042711).

Jumtap, NBC Universal, Nexage, Pontiflex, The Huffington Post, Tremor Media, Unicast, and Vdopia.

This dedicated force of industry experts is working together to promote best practices in the mobile advertising marketplace and in April 2011 announced the launch of a set of major initiatives.<sup>3</sup> Specifically, in 2011 MMCOE plans to promote LBS and drive the success of the mobile market by:

#### Unifying

- Establishing standard and best practices to help industry participants meet buyer expectations for congruent and reliable metrics, formats, and back-end systems for mobile advertising;

#### Educating

- Helping marketers learn about mobile marketing strategy and tactics;
- Helping sellers of mobile advertising understand the buying community's needs, desires, and concerns;

#### Leading

- Acting as a guiding force for the mobile marketing industry, helping it understand itself better (market size, creative, technology evolution) and recognizing and celebrating excellent mobile advertising;

#### Evangelizing

- Educating and exciting marketers and agencies about the possibilities of mobile marketing both today and going forward.

With education efforts such as those of the MMCOE, the Commission (*e.g.*, the June 28<sup>th</sup> LBS Forum), and the Federal Trade Commission (*e.g.*, FTC's "Understanding Mobile Apps: Questions & Answers" on OnGuardOnline.gov), understanding of and trust in LBS among the entire mobile ecosystem and consumers will continue to grow.

### **III. Self-Regulation in the Mobile Arena**

In addition to industry and consumer education, IAB strongly believes that self-regulation has an important role to play in widespread adoption of LBS. Coupled with the strong consumer privacy regulations that already exist today, self-regulatory programs can adequately meet evolving consumer privacy expectations in the mobile

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<sup>3</sup> Press Release, Mobile Marketing Center of Excellence Announces Aggressive 2011 Agenda and Six New Supporting Member Companies (Apr. 27, 2011), *available at* [http://www.iab.net/about\\_the\\_iab/recent\\_press\\_releases/press\\_release\\_archive/press\\_release/pr-042711](http://www.iab.net/about_the_iab/recent_press_releases/press_release_archive/press_release/pr-042711).

marketplace. IAB is one of the six trade associations spearheading the industry effort to self-regulate behavioral advertising practices through the Digital Advertising Alliance (DAA) ([www.aboutads.info](http://www.aboutads.info)). This program is designed to give consumers enhanced control over the collection and use of data regarding their Internet viewing for behavioral advertising purposes. With the support of the six stakeholder trade associations – representing more than 5,000 U.S. companies – the Program promotes the use of the Advertising Option Icon, a universal symbol found within or near online advertisements or on Web pages where data is collected and used to deliver online advertising that is based on inferences derived from the collected data. By clicking on the icon, consumers are able to link to a clear disclosure statement regarding the participating company’s online behavioral advertising data collection and use practices, as well as a universal, easy-to-use, opt-out mechanism. The IAB, in collaboration with the other trade associations and DAA participants, is seeking to apply these principles of transparency and choice to LBS, the mobile web, and mobile applications.

Enforceable self-regulatory efforts such as those of the DAA in the mobile arena that cover LBS are key to addressing consumers’ privacy concerns. In a time when technology is advancing rapidly, self-regulation can keep pace with consumers’ evolving expectations with LBS without hindering LBS from reaching its full potential.

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We thank you for the opportunity to submit these comments and look forward to working closely with the Commission on these important issues. Please do not hesitate to contact me with questions at 202-253-1466.

Sincerely,

/s/

Michael Zaneis  
Senior Vice President & General Counsel

cc: Stuart Ingis, Venable LLP  
Tara Sugiyama Potashnik, Venable LLP